[FR Doc. 95–16433 Filed 7–3–95; 8:45 am]
BILLING CODE 6560–50–F

40 CFR Part 281

[FRL–5253–6]

Connecticut; Final Approval of State Underground Storage Tank Program

AGENCY: Environmental Protection Agency.

ACTION: Notice of final determination on the State of Connecticut's application for final approval.

SUMMARY: The State of Connecticut has applied for final approval of its Underground Storage Tank (UST) Program under Subtitle I of the Resource Conservation and Recovery Act. The Environmental Protection Agency (EPA) has reviewed Connecticut's application and has reached a final determination that Connecticut's UST program satisfies all the requirements necessary to qualify for final EPA approval. Thus, EPA is granting final approval to the State of Connecticut to operate its program in lieu of the Federal UST program.

EFFECTIVE DATE: Final approval for the State of Connecticut shall be effective at 1:00 p.m. on August 4, 1995.

FOR FURTHER INFORMATION CONTACT: Jonathan Walker, Office of Underground Storage Tanks, HPU–CAN7, U.S. EPA, Region I, JFK Federal Building, Boston, MA 02203, (617) 573–9602.

SUPPLEMENTARY INFORMATION:

A. Background

Section 9004 of the Resource Conservation and Recovery Act (RCRA) enables EPA to approve state underground storage tank programs to operate in a state in lieu of the Federal underground storage tank program. To qualify for final authorization, a state's program must: (1) be ''no less stringent'' than the Federal program, and (2) provide for adequate enforcement. Section 9004 (a) and (b) of RCRA, 42 U.S.C. 6991c (a) and (b).

On January 19, 1995, as required by 40 CFR 281.50(c), EPA acknowledged receiving from the State of Connecticut a complete official application requesting final approval to administer its underground storage tank program. On May 19, 1995, EPA published a tentative decision announcing its intent to grant Connecticut final approval of its program. See 60 FR 26859 (1995). Further background on EPA's tentative decision to grant approval is included in that decision.

Along with the tentative determination, EPA announced the availability of the application for public comment and the date of a public hearing on the application. EPA requested advance notice for testimony and reserved the right to cancel for lack of public interest. Since there was no public interest, the public hearing was canceled. No public comments were received regarding EPA's approval of Connecticut's underground storage tank program.

B. Decision

I conclude that the State of Connecticut's application for final approval meets all of the statutory and regulatory requirements established by Subtitle I of RCRA. Accordingly, the State of Connecticut is granted final approval to operate its underground storage tank program in lieu of the federal program. The State of Connecticut now has the responsibility for managing all regulated underground storage tank facilities within its borders and carrying out all aspects of the Federal underground storage tank program, except with regard to Indian lands, where EPA will continue to have regulatory authority. The State of Connecticut also has primary enforcement responsibility, although EPA retains the right to conduct inspections under Section 9005 of RCRA, 42 U.S.C. 6991d, and to take enforcement actions under Section 9006 of RCRA, 42 U.S.C. 6991e. EPA will continue to work together with the Connecticut Department of Environmental Protection (DEP) in its ongoing commitment and efforts to address environmental justice concerns in low-income urban and minority neighborhoods in the State.

Compliance With Executive Order 12866

The Office of Management and Budget has exempted this rule from the requirements of Section 6 of Executive Order 12866.

Certification Under the Regulatory Flexibility Act

Pursuant to the provisions of 5 U.S.C. 605(b), I hereby certify that the approval will not have a significant economic impact on a substantial number of small entities. This approval effectively suspends the applicability of certain federal regulations in favor of the State of Connecticut's program, thereby eliminating duplicative requirements for owners and operators of underground storage tanks within the State. It does not impose any new burdens on small entities. This rule, therefore, does not require flexibility analysis.

List of Subjects in 40 CFR Part 281

Environmental protection, Hazardous substances, Intergovernmental relations, State program approval, Underground storage tanks, Water pollution control.

Dated: June 27, 1995.

John P. DeVillars,

Regional Administrator.

[FR Doc. 95–16417 Filed 7–3–95; 8:45 am]
BILLING CODE 6560–50–M

40 CFR Parts 712 and 716

[OPPTS–82046; FRL–4954–9]

Preliminary Assessment Information and Health and Safety Data Reporting; Addition of Chemicals

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Interagency Testing Committee (ITC) in its 35th Report to EPA revised the Toxic Substances Control Act (TSCA) Section 4(e) Priority List by designating for testing 25 chemical substances. The ITC recommendations must be given priority consideration by EPA in promulgating test rules. EPA is adding certain of these chemical substances to two model information-gathering rules: the TSCA Section 8(a) Preliminary Assessment Information Rule (PAIR) and the TSCA Section 8(d) Health and Safety Data Reporting Rule. These model rules will require manufacturers and importers of the substances identified herein to report certain production, use and exposure-related information, and manufacturers, importers, and processors of the listed substances to report unpublished health and safety data to EPA.

DATES: This rule will become effective on August 4, 1995.

FOR FURTHER INFORMATION CONTACT: Susan B. Hazen, Director, TSCA Environmental Assistance Division (7408), Office of Pollution Prevention and Toxics, Environmental Protection Agency, 401 M St., SW., Rm. E–543, Washington, DC 20460, Telephone: (202) 554–1404, TDD: (202) 554–0551.

SUPPLEMENTARY INFORMATION: This rule adds 24 chemical substances to the PAIR and 12 chemical substances to the section 8(d) Health and Safety Data Reporting Rule. Manufacturers, importers, and processors of these chemicals will be required to report unpublished health and safety data, and manufacturers and importers will be required to report end use, exposure, and production volume data to EPA.

Because the ITC has expressed no need for ecological effects information for the 12 substances being added to the section 8(d) rule under the category designated ''OSHA Chemicals in Need of Dermal Absorption Testing,'' EPA is exempting from ecological effects data reporting these substances under the section 8(d) rule. Also, for substances being added to the 8(d) rule by this action, EPA is exempting certain studies on mixtures containing 8(d)-listed substances at levels below 1 percent of the mixture. For further information on these exemptions, see Unit III. of this preamble.

I. Background

Section 4(e) of TSCA established the ITC and authorized it to recommend to EPA chemical substances and mixtures (chemicals) to be given priority consideration in proposing test rules under section 4. For some of these chemicals, the ITC may designate that EPA must respond to its recommendations within 12 months. In this time, EPA must either initiate a rulemaking to test the chemical or publish in the **Federal Register** its reasons for not doing so.

On November 3, 1994, EPA announced the receipt of the 35th Report of the ITC, and it was then published in the **Federal Register** of December 29, 1994 (59 FR 67596). The 35th report revises the Committee's priority list of chemicals by designating for testing 25 chemical substances to the section 4(e) priority list.

This rule adds 24 substances to the the section 8(a) Preliminary Assessment Information Reporting Rule and 12 substances to the section 8(d) Health and Safety Data Reporting Rule. These two rules are model information gathering rules which assist the ITC in making testing recommendations and aid EPA in responding to the ITC recommendations.

EPA issued the PAIR under section 8(a) of TSCA (15 U.S.C. 2607(a)), and it is codified at 40 CFR part 712. This model section 8(a) rule establishes standard reporting requirements for manufacturers and importers of the chemicals listed in the rule at 40 CFR 712.30. These manufacturers and importers are required to submit a one-time report on general volume, end use, and exposure-related information using the Preliminary Assessment Information Manufacturer's Report (EPA Form 7710–35). EPA uses this model section 8(a) rule to gather current information on chemicals of concern quickly.

EPA issued the model Health and Safety Data Reporting Rule under section 8(d) of TSCA (15 U.S.C. 2607(d)), and it is codified at 40 CFR part 716. The section 8(d) model rule requires past, current, and prospective manufacturers, importers, and processors of listed chemicals to submit to EPA copies and lists of unpublished health and safety studies on the listed chemicals that they manufacture, import, or process. These studies provide EPA with useful information and have provided significant support for EPA's decisionmaking under TSCA sections 4, 5, 6, 8, and 9.

These rules provide for the automatic addition of ITC priority list chemicals. Whenever EPA announces the receipt of an ITC report, EPA may, without further notice and comment, amend the model information-gathering rule by adding the recommended (or designated) chemicals. The amendment adding these chemicals to the PAIR and Health and Safety Data Reporting Rule becomes effective 30 days after publication in the **Federal Register**.

II. Chemicals To Be Added

In its 35th Report to EPA, the ITC designated 25 chemical substances for dermal absorption testing. EPA is adding 24 substances to the section 8(a) PAIR and 12 substances to the section 8(d) Health and Safety Data Reporting Rule. EPA is not adding cyclohexanone (CAS No. 108–94–1) to section 8(a) or section 8(d) because of the ITC's decision to remove this chemical substance from the testing priority list in its 36th report. EPA is not adding to the section 8(d) model rule 12 of the substances listed in the ITC report because the substances were previously listed on the section 8(d) rule and are currently subject to reporting or have recently ended the 10–year reporting period. These 12 substances are listed below.

Substance	CAS No.	FR Cite
Acetonitrile	75–05–8	47 FR 38791, September 2, 1982
Benzene, 1,2-dichloro-	95–50–1	47 FR 38791, September 2, 1982
Benzene, 1,4-dichloro-	106–46–7	47 FR 38791, September 2, 1982
1,1'-Biphenyl	92–52–4	48 FR 13178, March 30, 1983
Dipropylene glycol monomethyl ether	34590–94–8	54 FR 8484, February 28, 1989
Ethane, 1,2-dichloro-	107–06–2	52 FR 16022, May 1, 1987
Formamide	75–12–7	47 FR 38791, September 2, 1982
Isophorone	78–59–1	47 FR 38791, September 2, 1982
Naphthalene	91–20–3	52 FR 16022, May 1, 1987
Propane, 1,2-dichloro-	78–87–5	47 FR 38791, September 2, 1982
Propane, 1,2,3-trichloro-	96–18–4	47 FR 38791, September 2, 1982
1-Propanol, 2-methyl-	78–83–1	51 FR 2890, January 22, 1986

For a complete listing of the substances being added to the section 8(d) model rule and the PAIR, see the regulatory text section of this document.

III. Exemptions

For the 12 substances being added to the section 8(d) rule, EPA is exempting certain types of studies from the 8(d) rule reporting requirements of 40 CFR part 716 because no ITC member has indicated a current need for the specific study types. The study types being specially exempted in this action include: (1) Ecological effects data and (2) studies conducted on mixtures (e.g., formulated products) containing a subject substance at a level below 1 percent of the mixture, unless a purpose of the study includes the investigation of the effects of an 8(d) rule-listed substance at levels below 1 percent. EPA may later require the reporting of the types of studies being exempted at this time, via an amendment to this rule using notice and comment procedures,

if circumstances indicate a need for the data.

IV. Reporting Requirements

A. Preliminary Assessment Information Rule

All persons who manufactured or imported the chemical substances named in this rule during their latest complete corporate fiscal year must submit a Preliminary Assessment Information Manufacturer's Report (EPA Form No. 7710–35) for each manufacturing or importing site at which they manufactured or imported a named substance. A separate form must be completed for each substance and submitted to the Agency no later than October 3, 1995. Persons who have previously and voluntarily submitted a Manufacturer's Report to the ITC or EPA may be able to submit a copy of the original Report to EPA or to notify EPA by letter of their desire to have this voluntary submission accepted in lieu of a current data submission. See § 712.30(a)(3).

Details of the reporting requirements, the basis for exemptions, and a facsimile of the reporting form, are provided in 40 CFR part 712. Copies of the form are available from the TSCA Environmental Assistance Division at the address listed under FOR FURTHER INFORMATION CONTACT.

B. Health and Safety Data Reporting Rule

Listed below are the general reporting requirements of the section 8(d) model rule.

1. Persons who, in the 10 years preceding the date a substance is listed, either have proposed to manufacture, import, or process, or have manufactured, imported, or processed, the listed substance must submit to EPA: A copy of each health and safety study which is in their possession at the time the substance is listed.

2. Persons who, at the time the substance is listed, propose to manufacture, import, or process; or are manufacturing, importing, or processing the listed substance must submit to EPA:

a. A copy of each health and safety study which is in their possession at the time the substance is listed.

b. A list of health and safety studies known to them but not in their possession at the time the substance is listed.

c. A list of health and safety studies that are ongoing at the time the substance is listed and are being conducted by or for them.

d. A list of each health and safety study that is initiated after the date the substance is listed and is conducted by or for them.

e. A copy of each health and safety study that was previously listed as ongoing or subsequently initiated and is now complete--regardless of completion date.

3. Persons who, after the time the substance is listed, propose to manufacture, import, or process the listed substance must submit to EPA:

a. A copy of each health and safety study which is in their possession at the time they propose to manufacture, import, or process the listed substance.

b. A list of health and safety studies known to them but not in their possession at the time they propose to manufacture, import, or process the listed substance.

c. A list of health and safety studies that are ongoing at the time they propose to manufacture, import, or process the listed substance, and are being conducted by or for them.

d. A list of each health and safety study that is initiated after the time they propose to manufacture, import, or process the listed substance, and is conducted by or for them.

e. A copy of each health and safety study that was previously listed as ongoing or subsequently initiated and is now complete--regardless of the completion date.

The bulk of reporting is required at the time the substance is listed. Persons described in categories 1 and 2 do all or most of their health and safety data reporting at the start of the reporting period. The remaining reporting requirements, specifically categories 2(d), 2(e), and 3, continue prospectively.

Detailed guidance for reporting unpublished health and safety data is provided in the **Federal Register** of September 15, 1986 (51 FR 32720).

C. Submission of PAIR Reports and Section 8(d) Studies

PAIR reports and section 8(d) health and safety studies must be sent to:

TSCA Document Processing Center (7407), Office of Pollution Prevention and Toxics, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460, ATTN: (insert PAIR or 8(d) Reporting).

D. Removal of Chemical Substances from the Rules

Any person who believes that section 8(a) and/or 8(d) reporting required by this action is unwarranted, should promptly submit to EPA in detail the reasons for that belief. EPA, in its discretion, may remove the substance from the rule(s) for good cause (40 CFR 712.30 and 716.105). When withdrawing a substance from the rule, EPA will issue a rule amendment for publication in the **Federal Register**.

V. Economic Analysis

A. Preliminary Assessment Information Rule

EPA estimates the PAIR reporting cost of this rule is $234,752. To calculate this figure, EPA searched the Chemical Update System (CUS) to determine the manufacturers and importers of the 24 chemicals. This search identified 115 firms manufacturing or importing the 24 chemicals at a total of 131 sites. Manufacturing and or importing sites were identified for all the chemicals. An unknown number of the business affected by the addition of the chemicals to the Priority List may quality as a small business as defined in 40 CFR 712.25(c). However, for this analysis it is assumed that all firms identified will report. Therefore, EPA expects 115 to generate a total of 131 reports (some sites produce more than one of the 24 chemicals).

Reporting Costs (dollars)

(a) 131 reports estimated at $941 per report = $123,271
(b) 131 sites at $851 per site = $111,481
Total Cost = $234,752
Mean cost per site = $234,752/131 sites = $1,792
Mean cost per firm = $234,752/115 firms = $2,041

Reporting Burden (hours)

(a) Rule familiarization: 18 hrs/site x 131 sites = 2,358
(b) Reporting: 16 hrs/report x 131 reports = 2,096
Total burden hours = 4,454
Average burden per site = 4,454 hours/ 131 sites = 34
Average burden per firm = 4,454 hours/ 115 firms = 39

EPA Costs (dollars)

It is estimated that the annual cost to the Federal Government will be 1.774 FTEs (or 3,690 hours annually). At an estimated $64,477 per FTE, the total of 1.774 FTEs will cost EPA $114,382.

B. Health and Safety Data Reporting Rule

EPA estimates the total reporting costs for establishing section 8(d) reporting requirements for 12 chemicals will be $68,630. This cost estimate is high because the Agency is uncertain about the likely number of respondents to the rule. Although EPA has used the best available data to make its economic projections, much of the information is based upon the 1986 TSCA Inventory Update and secondary information from industry sources. Therefore, EPA tends to overestimate rather than underestimate reporting burden.

The estimated reporting costs are broken down as follows:

Initial corporate review	$ 18,217
Site identification	7,626
File searches at site	17,289
Photocopying existing studies	2,589
Title listing	790
Managerial review for CBI	15,534
Reporting on newly-initiated studies	324
Submissions after initial reporting period	5,931.36
Total	$ 68,630

Reporting Burden (hours)

(a) Initial review: 2 hours/firm x 15 firms = 30 hrs
(b) Reporting: 10.26 hours/firm x 15 firms = 154 hrs
Total reporting burden hours = 184 hrs

VI. Rulemaking Record

The following documents constitute the record for this rule (docket control number OPPTS–82046). All of these documents are available to the public in the TSCA Nonconfidential Information Center (NCIC), formerly the TSCA Public Docket Office, from 12 noon to 4 p.m., Monday through Friday, excluding legal holidays. The NCIC is located at EPA Headquarters, Rm. NE–B607, 401 M St., SW., Washington, DC 20460.

1. This final rule.
2. The economic analysis for this rule.
3. The Thirty-fifth Report of the ITC.

VII. Regulatory Assessment Requirements

A. Executive Order 12866

Under Executive Order l2866 (58 FR 51735, October 4, 1993), the Agency must determine whether the regulatory action is ''significant'' and therefore subject to review by the Office of Management and Budget (OMB) and the requirements of the Executive Order. Under section 3(f), the order defines a ''significant regulatory action'' as an action that is likely to result in a rule (1) having an annual effect on the economy of $100 million or more, or adversely and materially affecting a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local or tribal governments of communities (also referred to as ''economically significant''); (2) creating serious inconsistency or otherwise interfering with an action taken or planned by another agency; (3) materially altering the budgetary impacts of entitlement, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raising novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

Pursuant to the terms of this Executive Order, it has been determined that this rule is not ''significant'' and is therefore not subject to OMB review.

B. Paperwork Reduction Act

The information collection requirements contained in this rule have been approved by OMB under the provisions of the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 *et seq.* and have been assigned OMB control numbers 2070–0054 for PAIR reporting and 2070–0004 for TSCA section 8(d) reporting.

Public reporting burden for this collection of information is estimated to average 34 hours for PAIR per response and 5 hours per response for section 8(d), including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Chief, Information Policy Branch, 2131, U.S. Environmental Protection Agency, 401 M St., SW., Washington, DC 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503, marked ''Attention: Desk Officer for EPA.''

List of Subjects in 40 CFR Parts 712 and 716

Environmental protection, Chemicals, Hazardous substances, Health and safety data, Recordkeeping and reporting requirements.

Dated: June 26, 1995.

Charles M. Auer,

Director, Chemical Control Division, Office of Pollution Prevention and Toxics.

Therefore, 40 CFR Chapter I is amended as follows:

PART 712—[AMENDED]

2. In part 712:

a. The authority citation for part 712 continues to read as follows:

Authority: 15 U.S.C. 2607(a).

b. Section 712.30(e) is amended by adding 24 chemicals in CAS number sequence, to the category ''OSHA Chemicals in Need of Dermal Absorption Testing,'' to read as follows:

§ 712.30 Chemical lists and reporting periods.

* * * * *

(e) * * *

CAS No.	Substance	Effective date	Reporting date
	* * * * * * *		
OSHA Chemicals in Need of Dermal Absorption Testing			
	* * * * * * *		
75-05-8	Acetonitrile	8/4/95	10/3/95
	* * * * * * *		
75-12-7	Formamide	8/4/95	10/3/95

CAS No.	Substance	Effective date	Reporting date
	* * * * * * *		
75-35-4	Vinylidene chloride	8/4/95	10/3/95
	* * * * * * *		
77-73-6	Dicyclopentadiene	8/4/95	10/3/95
	* * * * * * *		
78-59-1	Isophorone	8/4/95	8/4/95
78-83-1	Isobutyl alcohol	8/4/95	8/4/95
	* * * * * * *		
78-87-5	Propylene dichloride	8/4/95	10/3/95
	* * * * * * *		
91-20-3	Naphthalene	8/4/95	10/3/95
	* * * * * * *		
92-52-4	Biphenyl	8/4/95	10/3/95
	* * * * * * *		
95-50-1	o-Dichlorobenzene	8/4/95	10/3/95
	* * * * * * *		
96-18-4	1,2,3-Trichloropropane	8/4/95	10/3/95
	* * * * * * *		
98-29-3	t-Butylcatechol	8/4/95	10/3/95
	* * * * * * *		
99-08-1	m-Nitrotoluene	8/4/95	10/3/95
	* * * * * * *		
99-99-0	p-Nitrotoluene	8/4/95	10/3/95
	* * * * * * *		
106-46-7	p-Dichlorobenzene	8/4/95	10/3/95
	* * * * * * *		
107-06-2	Ethylene dichloride	8/4/95	10/3/95
	* * * * * * *		
108-93-0	Cyclohexanol	8/4/95	10/3/95
	* * * * * * *		
110-12-3	Methyl isoamyl ketone	8/4/95	10/3/95
	* * * * * * *		
120-80-9	Catechol	8/4/95	10/3/95
	* * * * * * *		
121-69-7	Dimethylaniline	8/4/95	10/3/95
	* * * * * * *		
123-42-2	Diacetone alcohol	8/4/95	10/3/95

CAS No.	Substance	Effective date	Reporting date
	* * * * * * *		
127-19-5	Dimethyl acetamide	8/4/95	10/3/95
	* * * * * * *		
542-92-7	Cyclopentadiene	8/4/95	10/3/95
	* * * * * * *		
34590-94-8	Dipropylene glycol methyl ether	8/4/95	10/3/95
	* * * * * * *		

PART 716—[AMENDED]

2. In part 716:

a. The authority citation for part 716 continues to read as follows:

Authority: 15 U.S.C. 2607(d).

b. Section 716.20 is amended by adding paragraph (b)(4) to read as follows:

§ 716.20 Studies not subject to the reporting requirements.

* * * * *

(b) * * *

(4) For the chemicals listed at § 716.120 with a special exemption referencing this paragraph, studies on mixtures containing the listed substance at levels below 1 percent of the mixture, except when a purpose of the study includes the investigation of the effects of the listed substance at levels below 1 percent.

c. Section 716.120(d) is amended by adding 12 chemicals alphabetically to the category ''OSHA Chemicals in Need of Dermal Absorption Testing.''

§ 716.120 Substances and listed mixtures to which this subpart applies.

* * * * *

(d) * * *

CAS No.	Substance	Special exemptions	Effective date	Sunset date
	* * * * * * *			
OSHA Chemicals in Need of Dermal Absorption Testing				
t-Butylcatechol	98-29-3	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
	* * * * * * *			
Catechol	120-80-9	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
Cyclohexanol	108-93-0	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
	* * * * * * *			
Cyclopentadiene	542-92-7	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
	* * * * * * *			
Diacetone alcohol	123-42-2	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05

CAS No.	Substance	Special exemptions	Effective date	Sunset date
* * * * * * *				
Dicylcopentadiene	77-73-6	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
Dimethyl acetamide	127-19-5	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
* * * * * * *				
Dimethylaniline	121-69-7	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
Methyl isoamyl ketone	110-12-3	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
m-Nitrotoluene	99-08-1	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
p-Nitrotoluene	99-99-0	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
Vinylidene chloride	75-35-4	§ 716.20(b)(3) and (b)(4) apply	8/4/95	8/4/05
* * * * * * *				

[FR Doc. 95–16425 Filed 7–3–95; 8:45 am]
BILLING CODE 6560–50–F

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

42 CFR Part 417

[OMC–022–F]

Full Reporting by Health Maintenance Organizations (HMOs) and Competitive Medical Plans (CMPs) Paid on a Cost Basis

AGENCY: Health Care Financing Administration (HCFA), HHS.

ACTION: Final rule.

SUMMARY: This rule affects HMOs and CMPs that contract with HCFA to furnish services to Medicare beneficiaries and be paid on a cost basis. It requires a cost HMO or CMP to include in its cost report the costs of hospital and skilled nursing facility (SNF) services even if it has elected (under § 417.532(c) of the HCFA regulations) to have HCFA's intermediary process those claims and pay the hospital or SNF directly.

This change is necessary so that HCFA can determine and compare the cost of all services furnished by HMOs and CMPs with the cost of equivalent services paid for under the fee-for-service system.

This rule also adds a definition and makes technical changes to clarify and update certain related provisions of subparts O and U of part 417 of the HCFA rules.

DATES: Effective Date: This rule is effective August 4, 1995.

FOR FURTHER INFORMATION CONTACT: Alfred D'Alberto, (410) 966–7610.

SUPPLEMENTARY INFORMATION:

I. Notice of Proposed Rulemaking

On February 22, 1994, we published a proposed rule (at 59 FR 8435) that would establish—

- Presumptive limits on Medicare payments to cost HMOs and CMPs and to health care prepayment plans (HCPPs) that furnish inpatient hospital services;
- An exception process under which an affected HMO, CMP or HCPP could demonstrate that payment above the presumptive limit is justified as ''reasonable'' because of the special needs of its Medicare enrollees, or because of extraordinary circumstances beyond its control; and
- Criteria for the ''reasonableness'' of the costs of HCPPs that do not furnish inpatient hospital services.

The rule also proposed to require cost HMOs and CMPs to include in their cost reports the costs of hospital and SNF services that the HMO or CMP elects to have paid by the Medicare intermediary, and to make a number of technical changes.

Under this election, although HCFA intermediaries process and pay claims, the HMO or CMP authorizes the services and retains responsibility for coordinating those services with other services it furnishes to Medicare enrollees.